

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

GREG E. LINDBERG,
CHRISTOPHER HERWIG, and
STANDARD ADVISORY SERVICES
LIMITED,

Defendants.

Case No. 22-cv-715

Honorable Catherine E. Eagles
Magistrate Judge Joi Elizabeth Peake

STATUS REPORT

Pursuant to the Court's March 17, 2025 Order (ECF No. 118), Plaintiff United States Securities and Exchange Commission ("SEC") submits the following Status Report detailing the status of the outstanding issues in this case.

I. Orders and Judgments

The Court has entered the following Judgments against each Defendant in this case:

- Defendant Christopher Herwig (ECF Nos. 48, 49): On **July 3, 2023**, the Court entered a consent Judgment against Herwig that: (1) resolved all the claims of liability the SEC asserted against Herwig; (2) permanently enjoined Herwig from violating Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"); and (3) established a framework for the Court to resolve the SEC's claims for monetary relief against Herwig, if necessary, following the sentencing in Herwig's parallel criminal case, *United States v. Herwig*, 22-cr-314-MOC (W.D.N.C.).

- Defendant Greg E. Lindberg (ECF No. 117): On **March 13, 2025**, the Court entered a consent Judgment against Lindberg that: (1) resolved all the claims of liability the SEC asserted against Lindberg; (2) permanently enjoined Lindberg from violating Sections 206(1) and 206(2) of the Investment Advisers Act; and (3) established a framework for the Court to resolve the SEC's claims for monetary relief against Lindberg, if necessary, following the sentencing in Lindberg's parallel criminal case, *United States v. Lindberg*, No. 23-cr-48-MOC (W.D.N.C.).
- Defendant Standard Advisory Services Limited ("SASL") (ECF No. 118): On **March 17, 2025**, the Court entered an Order (1) granting the SEC's Motion for Summary Judgment against SASL, (2) finding SASL liable on Count I of the SEC's Complaint for violation Sections 206(1) and 206(2) of the Advisers Act, and (3) instructing the parties to propose, within ten business days of Lindberg's sentencing in his criminal case, a schedule for briefing related to the SEC's claims for an injunction, disgorgement, and civil monetary penalty. The Court's Order instructed the SEC to file a Status Report if Lindberg had not yet been sentenced by August 1, 2025.

II. Status of Lindberg's & Herwig's Criminal Cases

To date, neither Lindberg nor Herwig has been sentenced.

- Herwig's Criminal Case: On **December 20, 2022**, Herwig entered a plea of guilty to one count of conspiracy. (Herwig Crim ECF No. 6.) In his Plea, Herwig agreed to the entry of an order for monetary penalties, including full restitution and forfeiture. As of March 9, 2023, Herwig's Presentence Investigation Report, including objections, was fully briefed. Herwig awaits sentencing in his criminal case.

- Lindberg's Criminal Case: On **November 5, 2024**, Lindberg entered a plea of guilty to: (1) one count of conspiracy to commit offenses against the United States, including investment adviser fraud (15 U.S.C. §§ 80b-6 and 80b-17), wire fraud, and crimes in connection with insurance business (18 U.S.C. §§ 1033 and 1343); and (2) one count of money laundering conspiracy (18 U.S.C. § 1957). (Lindberg Criminal ECF No. 40.) In his plea agreement, Defendant Lindberg agreed, among other things, to pay full restitution and forfeiture and to the appointment of a special master to “identify, receive, apportion, and distribute funds for restitution” (*Id.*) Defendant Lindberg further agreed “to pay full restitution” to all victims of the conduct charged in the Indictment, including the NC Insurance Companies and PBLA, the same victims in the SEC’s case. (*Id.*) On January 23, 2025, the Court appointed a Special Master to, among other things: (1) verify and quantify the losses suffered by Lindberg’s victims; (2) oversee and facilitate the liquidation with Court approval and/or repatriation of any available assets held by Lindberg’s various entities for the benefits of the victims; (3) apportion available funds among the victims in accordance with the Court’s restitution order; and (4) coordinate with other receivers previously appointed over assets available for the benefit of the victims. (Lindberg Criminal ECF No. 56.) On July 3, 2025, the Special Master notified the Court that one of the most valuable groups of Lindberg-related companies had entered into a purchase and sale agreement that, if finalized, would “be one of the largest sources of recovery for victims,” totaling more than \$300,000,000. (Lindberg Criminal ECF No. 66, Consent Motion for Order Approving Disposition of Net Proceeds from the Sale of the ClanWilliam Group of

Companies at ¶¶ 10, 17-18.) A hearing on the Consent Motion for Order Approving Disposition is scheduled for August 26, 2025. As of June 17, 2025, Lindberg's Presentence Investigation Report, including objections, was fully briefed.

The victims and facts underlying Lindberg's and Herwig's pleas largely mirror the allegations in the SEC's Complaint. Accordingly, the sentencing and orders of restitution and/or forfeiture in Lindberg's and Herwig's criminal cases may materially impact what monetary relief, if any, the SEC seeks against Lindberg, Herwig, and SASL in the SEC case. The SEC therefore requests that the Court continue to defer briefing on the SEC's claims for monetary relief until *after* Lindberg and Herwig are sentenced in their criminal cases.

Dated: August 1, 2025

Respectfully submitted,

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION**

By: /s/ Kevin A. Wisniewski

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CERTIFICATE OF SERVICE

The undersigned attorney certifies that, on August 1, 2025, he filed the above document via the Court's CM/ECF NextGen system, which automatically sends a notice of the filing to all counsel of record.

/s/ Kevin A. Wisniewski